THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c). National Bank for Agriculture & Rural Development (NABARD) have reported that as laid down in the Regional Rural Banks Act, 1976, RRBs finance target groups in rural areas. Keeping in view the role of RRBs in purveying credit to the weaker sections, Government has decided to retain the identity and character of RRBs. However, to sustain the positive role played by the banks, the Government, NABARD and the sponsor banks are continually monitoring the performance of RRBs and remedial measures are taken to improve their performance and eliminate their financil weaknesses. Certain specific measures to improve the earning capacity of RRBs, such as expansion in the scope of tractor financing, removal of ceiling of Rs. 1 lakh on individual loan limit for financing transport vehicles, increase in the individual loan eligibility under the composite loan scheme for non-farm activities from Rs. 30,000 to 50,000 etc. have been taken.

[*English*]

Reopening of Ajudhia Textile Mills, Delhi

1765. SHRIMATI SUSEELA GOPALAN: Will the Minister of TEXTILES be pleased to state:

(a) whether there is any plan to reopen the Ajudhia Textile Mill's Delhi under National Textile Corporationn

(b) if so, the details thereof; and

(c) if not, the steps taken by the Government to protect the workers from unemployment?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT): (a) Ajudhia Textile Mills of National Textile Corporation Limited is not closed.

(b) and (c). Does not arise.

Role of Private Financial Companies

1766. SHRI RUP CHAND PAL: Will the Minister of FINANCE be pleased to state:

(a) whether any study has been made by the Government on the role played by the private financial companies in our economy;

(b) if so, the details thereof;

(c) whether some officials of public sector financial institutions and banks have been found directly or indirectly involved in many of these financial companies;

(d) if so, the details there of and the reasons therefor; and

(e) the action taken or proposed to be taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b). No specific study has been made by the Government on the role played by private financial companies in the economy. The Narasimham Committe on the Financial System has, however, made certain recommendations for laying down prudential norms and guidelines for non-banking financial intermediaries.

(c) to (e). Reserve Bank of India have no specific information in this regard.

Prices of Coffee Seeds and Powder

1767. SHRI J. CHOKKA RAO: Will the Minister of COMMERCE be pleased to state:

(a) whether the Coffee Board has substantially increased the prices of Coffee

seeds and powder during the last one year;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to check and reduce the prices?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c). The retail prices of raw coffee and coffee powder sold through the Promotional Units of the Coffee Board used to be fixed at Minimum Release Price of Coffee plus Rs. 5/- towards overhead expenses. Those prices were much lowere than local market prices. Considering the gap between the retail prices in the Promotional Units and the market and also to avoid complaints of diversion of coffee because of the price differential, the coffee Board decided to adopt a new formula in pricing. The new formula adopted is to fix the selling prices on the basis of average auction prices of the previous month plus Rs.5/- per kg. towards overheads. The prices currently existing in these Units are thus fixed on this formula and were revised during the last one year. The prices are reviewed on quarterly basis. As even the revised sale price is lower than the market prices of equivalent grades of coffee, there is little scope to reduce the price.

[*Translation*]

Investment by LIC in Bihar

1768. SHRI LALIT ORAON: Will the Minister of FINANCE be pleased to state:

(a) the number and locations of divisional Offices of Life Insurance Corporation in Bihar at present;

(b) the total amount of turnover made in Bihar by these offices during the last three years; and

(c) the total amount innvested so far in the various schemes of Bihar from the amount deposited therein?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) There are at present 5 Divisional Offices in Bihar at Bhagalpur, Muzaffarpur, jamshedpur, Patna and Hazaribagh.

(b) The turnover by the four Divisions(establised upto 1990-91) during the last three years is as under:-

(Rs. in crores)

Year	*No. of Polices*	*Sum Assured*
1988-89	2,89,078	954.02
1989-90	3,73,055	1355.77
1990-91	4,22,989	1615.98

(c) The total amount invested during the last three years by LIC in the State of Bihar in various socially oriented schemes is as under:-

(Rs. in corres)

	Scheme	*1988-89*	*1989-90*	*1990-91*
1.	State Govt. securities & Govt. guaranteed marketable securities	24.50	29.23	29.29